

Estate Tax Return**For Assistance**

If you have questions, please call one of the following numbers:

Phoenix	(602) 716-7809
From area codes 520 & 928 toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 & 928 toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 & 928 toll-free	(800) 397-0256

You may also visit our web site at: www.azdor.gov

Who Must File

Form 76 must be filed for the estate of every Arizona resident decedent whose date of death is on or after January 1, 1980, if a federal estate tax return (Form 706) is required to be filed.

Form 76 must be filed for the estate of every nonresident decedent whose date of death is on or after January 1, 1980, if the decedent had real property and/or tangible personal property located in Arizona and a federal estate tax return (Form 706) is required to be filed.

When To File

The return is due when the federal estate tax return is required to be filed. If you have obtained a federal extension of time to file your federal estate tax return, the Arizona return is due by the extended federal due date.

File Form 76 with:

Estate Tax Unit
Arizona Department of Revenue
1600 W Monroe, Room 520
Phoenix AZ 85007-2650

NOTE: Attach a copy of the federal estate tax return and copies of *all* documents filed with the federal estate tax return to the Arizona return.

You may also apply for an Arizona extension. Use Form 76EXT to apply for an extension of time to file an Arizona Form 76. The extension period may not be for more than six months from the original due date of the return. If you have been granted a federal 6 month extension, the Arizona extension cannot extend the Arizona filing time beyond that due date.

Payment of Tax

The Arizona estate tax is due on or before the date that the Arizona estate tax return is required to be filed, including any extension of the filing due date. If either a federal filing extension (Form 4768) or an Arizona filing extension (Form 76EXT) is approved, the payment due date is the extended filing date. No penalty or interest will be assessed if the return is filed and the entire tax is paid on or before the extended filing date.

You may also make an election under ARS Section 42-4004 to pay in installments. See the instructions for line 25 for more information.

Waiver of Tax Lien

When the personal representative furnishes the department with a copy of the *Internal Revenue Service Closing Letter*, the department will issue a waiver of tax lien. The department will issue the waiver only after the Arizona estate tax and any penalties and interest have been paid. If an estate requires a waiver to complete certain transactions prior to receiving the *Internal Revenue Service Closing Letter*, the department may issue a partial waiver upon the personal representative's written request. For details, see Arizona Form 72, *Application for Waiver of Tax*.

Penalties and Interest**Late Filing Penalty**

For decedents dying on or after January 1, 2001, the late filing penalty is 4½ percent of the tax required to be shown on the return for each month or fraction of a month the return is late. For decedents dying prior to January 1, 2001, the late filing penalty is 5 percent of the tax remaining due for each month or fraction of a month the return is late. In either case, this penalty cannot exceed 25 percent of the tax remaining due.

Late Payment Penalty

The department imposes a late payment penalty if the Arizona estate tax is not paid by the time prescribed for its payment. For decedents dying on or after January 1, 2001, the late payment penalty is ½ of 1 percent (.005) of the amount shown as tax for each month or fraction of a month for which the failure continues. This penalty cannot exceed a total of 10 percent. For decedents dying prior to January 1, 2001, the late payment penalty is 10 percent of the tax not paid within the time prescribed for its payment.

NOTE: The maximum combined late filing and late payment penalties cannot exceed 25 percent.

Interest

The department charges interest on any tax not paid by the date the return is required to be filed. Interest is charged even if a payment extension has been granted. The Arizona rate of interest is the same as the federal rate. Contact one of the numbers listed above for the applicable interest rate.

Changes in Federal Return or Federal Estate Tax

The Department of Revenue must be notified immediately if a federal estate tax return is amended or a federal estate tax is adjusted as a result of a federal estate tax audit, tax refund claim, or for any other reason.

Computation of Tax**Resident Decedent****Line 1 -**

Enter the maximum state death tax credit allowable for federal estate tax purposes.

Line 2 -

Enter the total estate or inheritance tax actually paid to other states. The department requires proof of payment.

Line 3 -

Enter the gross value of real property and/or tangible personal property located in other states.

Line 4 -

Enter the gross value of the estate for federal estate tax purposes.

Line 5 -

Divide the amount on line 3 by the amount on line 4. Enter the result.

Line 6 -

Multiply the amount on line 1 by the percentage on line 5. Enter the result.

Line 7 -

Enter the smaller of the amount on line 2 or the amount on line 6.

Line 8 -

Subtract the amount on line 7 from the amount on line 1. Enter the result. This is the estate tax payable to Arizona.

Line 9 -

Enter the amount of any prior tax payment or payments. Also attach a schedule of the date(s) and amount of prior payment(s).

Line 10 -

If line 8 is more than line 9, subtract line 9 from line 8. Enter the balance of tax due. If line 9 is more than line 8, subtract line 8 from line 9. Enter the amount of overpayment.

Line 11 -

Calculate any penalty and interest due as a result of late filing or late payment of tax. See "Penalties and Interest" section of instructions.

Nonresident Decedent

Line 14 -

Enter the maximum state death tax credit allowable for federal estate tax purposes.

Line 15 -

Enter the gross value of real property and/or tangible personal property located in Arizona. Also attach a schedule of Arizona property or identify the Arizona property on the federal Form 706 attached to your return.

Line 16 -

Enter the gross value of the estate for federal estate tax purposes.

Line 17 -

Divide the amount on line 15 by the amount on line 16.

Line 18 -

Multiply the amount on line 14 by the percentage on line 17. This is the estate tax payable to Arizona.

Line 19 -

Enter the amount of any prior tax payment or payments. Also attach a schedule of the date(s) and amount of prior payment(s).

Line 20 -

If line 18 is more than line 19, subtract line 19 from line 18. Enter the balance of tax due. If line 19 is more than line 18, subtract line 18 from line 19. Enter the amount of overpayment.

Line 21 -

Calculate any penalty and interest due as a result of late filing or late payment of tax. See "Penalties and Interest" section of instructions.

Line 24 – Authorization

If you want the Department of Revenue to discuss matters relating to this estate tax return with the preparer of this return, complete line 24. By completing line 24, you are authorizing the Department of Revenue to release confidential information under A.R.S. § 42-2003 of the estate to the preparer of the estate tax return for matters relating to the estate tax return. This authorization will allow the appointee to receive confidential information, to act as the estate's representative before the Arizona Department of Revenue and to make written or oral presentations on behalf of the estate. This authorization will not authorize the representative to enter into closing agreements for the estate.

If the representative is an attorney or a certified public accountant, enter the name of the state in which that person is authorized to practice.

If you want to authorize persons other than attorneys, accountants, and enrolled agents, or if you want to authorize more than one person to receive confidential information, attach Arizona Form 285. If you want to authorize the representative to enter into a closing agreement for the estate, you must complete Arizona Form 285.

If you want to authorize someone other than the preparer of the return to receive confidential information, you must complete Arizona Form 285.

Authorization Revocation and Appointee Withdrawal

The personal representative may revoke this authorization by filing a statement of revocation with the department. The statement of revocation must indicate that the authority granted by this authorization is revoked. The statement must also indicate the decedent's social security number and the effective date of the revocation. The personal representative must sign the revocation statement.

A representative may withdraw from representation in a matter in which an authorization has been filed by filing a statement with the department. The statement must identify the name and address of the taxpayer(s) and the matter(s) from which the representative is withdrawing. The representative must sign the withdrawal statement.

Send revocations and withdrawals to:

Estate Tax Unit
Arizona Department of Revenue
1600 W Monroe, Room 520
Phoenix AZ 85007-2650

Line 25 – Installment Payment Election.

The Arizona election can **only** be made if an installment election has been made under Section 6166 of the Internal Revenue Code and the Arizona tax exceeds \$50,000. To make this election, check the box on line 25. If you make this election, you must attach documentation that your federal election has been approved and a proposed installment payment schedule.